

Coins

High old silver! The price keeps soaring

By Roger Boye

WHEN THE PRICE of silver surged earlier this month, coin dealer Mitchell Cole posted a small sign in his Evanston store. It read: "No silver coin will be sold for less than 10 times face value, regardless of the price marked on the coin (holder)."

But by last week, even that sign was out-of-date because the market soared once again.

Other rare coin dealers have had similar problems in keeping up with the booming market this summer. At Cole's North Shore Rare Coin Galleries and elsewhere, the prices of many old coins have spurted by an average of 5 per cent a week since June.

One reason for those unprecedented increases is the steep rise in the price of silver bullion: Last week, silver sold for more than \$14 an ounce (a record), up from about \$9 an ounce on Aug. 20.

The metal in a United States silver coin minted before 1965 is worth about 10 times the coin's face value when silver is at \$14 an ounce; at \$9 an ounce, the metal is worth only $6\frac{1}{2}$ times face value.

Similarly, the silver-price spiral has affected the wholesale or "dealer buying price" of common-date silver dollars minted before 1936. Several dealers are paying more than \$10 for any silver dollar in very good condition, up

from the \$6 a coin offered early this year.

Even more surprising, the prices of many choice coins — the rare dates in beautiful condition — have gone up even faster than silver bullion prices.

"All quality material has been in great demand this summer," said Larry Whitlow of Ford City Coins & Stamps Ltd. in Chicago. "Much of the buying is being done by investors who have almost no background in coins."

Uncirculated silver dollars, commemorative half-dollars and trade dollars have spurted the most in value, according to dealers. For example, the retail price of a choice, uncirculated Illinois commemorative half-dollar of 1918 is about \$180 today, nearly double the going rate of just three months ago.

Whitlow, as other dealers, believes that choice collector material will continue to go up in price, regardless of what happens to silver bullion values.

"This is not a false market," he said. "The demand for quality coin material greatly exceeds the supply."

However, not all dealers are as definite in predicting the future price of silver bullion and the corresponding value of common-date, circulated U.S. silver coins. Some dealers, such as Walter Perschke of NUMISCO Inc. in Chicago, have advised clients that a substantial drop in silver prices is possible.